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Attorney for Securities Department

BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF SECURITIES  
FOR MONTANA

IN THE MATTER OF:	)	
	)	CASE NO.: SEC-2007-58
THE CONCORD EQUITY GROUP, LLC	)	(C-04-24-06-210)
485 Rt 1 South	)	
Building C, Suite 210	)	CONSENT AGREEMENT
Iselin, NJ 08830	)	RE: RESPONDENT CONCORD
	)	EQUITY GROUP, LLC
CONCORD EQUITY GROUP ADVISORS	)	
100 Matawan Road	)	
Matawan, NJ 07747	)	
	)	
Respondents.	)	

Consent Agreement dated this 19<sup>th</sup> day of June 2008, between  
the Montana Securities Department ("Department"), acting pursuant to the authority of the  
Securities Act of Montana, § 30-10-101 *et seq.* MCA, and § 2-4-603 Montana Code Annotated;  
and Respondent CONCORD EQUITY GROUP, LLC, (CEG).

**RECITALS**

WHEREAS, the Department issued a Notice of Proposed Agency Action (Action) and a  
Temporary Cease and Desist Order on or about August 13, 2007, alleging violations of the  
Securities Act by Respondent CEG and other parties with respect to failing to supervise its  
securities salesperson in Montana, engaging in unethical and dishonest securities practices and  
engaging in acts of securities fraud as described in the Action;

WHEREAS, the Department and CEG have investigated the matter pursuant to a customer complaint and information obtained through the Department's examination of CEG's Montana office;

WHEREAS, CEG has at all times vigorously denied all the material allegations asserted in the Action; and

WHEREAS, the Department and CEG agree that the best interests of the public would be served by dismissing the Action and entering into the agreements and undertakings specified herein.

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the Department and CEG hereby agree to resolve their differences and settle these matters pursuant to the following terms and conditions:

**I. SUMMARY OF ALLEGATIONS**

A. The Action includes, *inter alia*, allegations that CEG, in violation of §30-10-201, MCA, engaged in dishonest and unethical practices, including failure to properly supervise its Montana securities salesperson, and committed securities fraud in violation of §30-10-301 (1) (b) and (c), MCA. The Action is attached hereto as Exhibit A.

**II. STIPULATIONS AND CONSENTS**

A. Without admitting or denying any of the allegations contained within the Action, CEG stipulates and consents:

1. To deposit \$150,000 into a Restitution Fund (hereafter "Fund"), \$25,000 of which is due upon signing of this agreement, with \$25,000 payments being due on or before the 15<sup>th</sup> of each of the next five months with all payments being paid on or before October 15, 2008. The Fund shall be funded for the purpose of paying restitution to CEG's customers obtained through

the efforts of its Montana securities salesperson. The Fund shall be administered and disbursed as follows:

- a. The Department will send, within ten (10) days of CEG signing this consent agreement and making its first \$25,000 payment, a letter to each of the individuals identified by the Department as eligible participants indicating they may submit a claim and release against the Fund.
  - b. Eligible participants submitting a claim against the Fund will be entitled to an amount as calculated by the Department. Eligible participants will have 30 days to submit their claim against the Fund. Eligible Participants shall agree to release CEG as a condition to receiving a payment from the Fund.
  - c. Six months after the last day available for eligible participants to claim against the Fund, the Fund shall be deemed closed and any excess funds remaining in the Fund shall be sent to the Investor Protection Trust for the benefit of Montana investors.
  - d. CEG will be responsible for 66% of the cost associated with establishing the Restitution Fund and distributing restitution funds to individuals submitting claim and release forms.
2. To comply with the terms and conditions of this Consent Agreement and with the securities laws and regulations of Montana.
  3. The applicable Statute of Limitation, § 30-10-305, MCA, is tolled for actions or proceedings by the Department for two (2) years from the date of execution of this Consent Agreement with regard to the allegations set forth above. In the event CEG materially violates the terms of this Consent Agreement at any time during the two-year tolling period the State

Auditor's Office reserves the right to seek a fine of \$75,000 and to seek a permanent ban on registration or filings by CEG.

B. Pursuant to the stipulations, agreements and consents of CEG, the Department, under the authority of the Montana Securities Act and § 2-4-603, Montana Code Annotated, hereby agree that:

1. The Department shall execute such documents and take such actions as are required to dismiss the Action with prejudice upon the signing of this Consent Agreement.

C. All parties to this Consent Agreement agree and acknowledge:

1. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Under authority of the Montana Securities Act, the Department hereby agrees that it will not initiate any civil or administrative actions against CEG regarding or related to the allegations contained in the Action. CEG fully and forever release and discharge the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Consent Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

2. Upon the signing of this Consent Agreement, the State Auditor will file with the hearing examiner a Motion and Stipulation for Dismissal of the Action as it relates to CEG, with prejudice.

DATED this 1 day of <sup>le</sup>~~May~~<sup>July</sup>, 2008.

MONTANA SECURITIES DEPARTMENT

By:   
Lynne Egan



Deputy Securities Commissioner

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of July 2008.

Michelle Marie Huftel  
Michelle Huftel

Notary Public for the State of Montana

Residing at Helena, Montana

My commission expires March 29, 2012

DATED this 1<sup>st</sup> day of July 2008.

Concord Equity Group, LLC

By: [Signature]

Gabriel Loteste

Chief Executive Officer

[Signature]  
John J. Vaccaro  
Chief Compliance Officer

SUBSCRIBED AND SWORN to before me this 19<sup>th</sup> day of June 2008.

[Signature]  
Signature Bette P. Scuzese

Printed name

Notary Public for the State of New Jersey

Residing at: 59 Anita Dr., Jackson, NJ 07037

My commission expires 5/17/2012

Bette P. Scuzese  
Notary Public  
State of New Jersey  
Expires: 5/17/2012